

### **304.9-090 Exceptions to licensure requirements.**

- (1) Nothing in this subtitle shall be construed to require an insurer to obtain a license as an insurance producer. As used in this section, the term "insurer" does not include an insurer's officers, directors, employees, subsidiaries, or affiliates.
- (2) A license as an insurance producer shall not be required of the following:
  - (a) An officer, director, or employee of an insurer or of an insurance producer, provided that the officer, director, or employee does not receive any commission or other valuable consideration on policies written or sold to insure risks residing, located, or to be performed in this state, and:
    1. The officer, director, or employee's activities are devoted to functions that are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance; or
    2. The officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or
    3. The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers where the officer's, director's, or employee's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation, or negotiation of insurance;
  - (b) The individual secures and furnishes information for the purpose of group life insurance, group property and casualty insurance, group annuities, group or blanket accident and health insurance, or for the purpose of enrolling individuals under plans, issuing certificates under plans, or otherwise assisting in administering plans; or performs administrative services related to a mass marketed property and casualty insurance, where no commission is paid to the individual for the service;
  - (c) An employer or association or its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, directors, or trustees are engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer, as long as the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the insurer issuing the contracts;
  - (d) Employees of insurers or organizations employed by insurers who are engaging in the inspection, rating, or classification of risks, or in the supervision of the training of insurance producers who are not individually engaged in the sale, solicitation, or negotiation of insurance;
  - (e) An individual or business entity whose activities in this state are limited to advertising without the intent to solicit insurance in this state through

communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of the state, provided that the individual or business entity does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in this state;

- (f) An individual or business entity who is not a resident of this state who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one (1) state insured under that contract, provided that the individual or business entity is otherwise licensed as an insurance producer to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state; or
- (g) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interest of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell, solicit, or negotiate insurance or receive a commission.

**Effective:** July 15, 2002

**History:** Amended 2002 Ky. Acts ch. 273, sec. 13, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 393, sec. 6, effective July 14, 2000. -- Amended 1986 Ky. Acts ch. 307, sec. 4, effective July 15, 1986. -- Created 1970 Ky. Acts ch. 301, subtit. 9, sec. 9, effective June 18, 1970.